



Agenda Item No. (3)

To: Rules, Policy and Industrial Relations Committee/Committee of the Whole
Meeting of May 23, 2025

From: Artemisé Davenport, Manager, SBE Compliance Programs
Kellee J. Hopper, Deputy General Manager, Administration and Development
Denis J. Mulligan, General Manager

Subject: **APPROVE FEDERAL FISCAL YEARS 2025/2026 THROUGH 2027/2028
OVERALL DISADVANTAGED BUSINESS ENTERPRISE GOAL ON
FEDERAL TRANSIT ADMINISTRATION ASSISTED PROJECTS**

Recommendation

The Rules, Policy and Industrial Relations Committee recommends that the Board of Directors approve the following actions relative to the Federal Transit Administration (FTA) Federal Fiscal Year (FFY) 2025/2026 through 2027/2028 Overall Triennial Disadvantaged Business Enterprise (DBE) goal:

1. Establish an overall proposed 1.1% Race-Neutral DBE goal applicable to \$27,520,000 in anticipated contracts assisted by FTA for the three forthcoming FFYs;
2. Authorize the General Manager to publish a Notice of the proposed goal on the Golden Gate Bridge, Highway and Transportation District's (District) official website, in accordance with federal regulations governing the establishment of overall DBE goals;
3. Authorize the General Manager to adopt the overall DBE goal if no further consideration or modifications to the proposed goal are warranted; and,
4. Authorize staff to submit the District's overall DBE Goal Methodology to FTA by August 1, 2025.

This matter will be presented to the Board of Directors at its May 23, 2025 meeting for appropriate action.

Summary

As a direct recipient of FTA funding, the District is required to have a Disadvantaged Business Enterprise Program, including a Small Business Enterprise (SBE) Element for procurement activities assisted by the United States Department of Transportation (U.S. DOT). Pursuant to Title 49 Code of Federal Regulations (C.F.R.) Part 26 (Regulations) <https://www.ecfr.gov/current/title-49/subtitle-A/part-26/subpart-C/section-26.45>, FTA Tier I recipients that will award prime contracts (excluding transit vehicle purchases) for which the cumulative total value exceeds \$670,000 in planning, capital, and/or operating assistance are required to develop a triennial overall DBE goal. The DBE Goal Methodology must be submitted to FTA by August 1, 2025.

To establish the overall triennial DBE goal, the District's Manager, SBE Compliance Programs held meetings with Capital and Grants, Engineering, Procurement, and project managers from the Bus and Ferry divisions to identify future projects for which staff anticipate the District will receive FTA funding during FFY 2025-2028. Staff identified sixteen (16) ferry projects totaling \$27,520,000 of anticipated FTA funds that fit this criterion. The contracts are identified in **Attachment A**. Based on the relative availability of DBE participation and the capacity at which DBEs may be able to perform work on these projects, staff recommends establishing a **1.1%** Race-Neutral overall DBE goal.

Staff determined the proposed overall DBE goal by way of a two-step process in accordance with the Regulations. Step One is to determine the Base Figure of relative availability of "ready, willing, and able" DBEs in the District's geographic market area in all work categories for each project by using the North American Industry Classification System (NAICS) codes. There are several data sources that may be used to calculate relative DBE availability such as the DBE directory and Census Bureau data, a bidder's list, data from a disparity study, the goal of another U.S. DOT recipient or other alternative methods based on demonstrable evidence of local market conditions in the District's market area. The data source the District used for the Step One process is the California Unified Certification Program DBE directory, to determine the number of "ready, willing, and able" DBEs and the 2022 U.S. Census Bureau's County Business Patterns data table to determine the number of "all firms" including DBEs. The District's Step One Base Figure goal resulted in a **47.7%** overall DBE goal.

Step Two in the overall goal setting process is to examine all evidence available in the District's jurisdiction to determine what adjustments to the Step One Base Figure are necessary, if any. Adjustments to the Step One Base Figure are acceptable after considering several factors such as past participation, evidence from disparity studies conducted in the District's market area, statistical disparities in the ability of DBEs to access financing, bonding, and insurance, and any other data that would help closely measure the percentage of work DBEs would likely be able to obtain in the absence of discrimination.

Of the FTA-assisted projects associated with the proposed goal, 11 contracts consists of dry docking and capital improvement contracts across all seven ferry vessels, one dredging contract, as well as one mooring camels restoration project. Over 94% of the scope of work for each of these projects falls under NAICS code 336611, *Ship Building and Repairing*, and are expected to be performed by the prime contractor. Within the District's local market area, there is only one DBE firm certified under this NAICS code. Historically, DBE participation on contracts of this type has been 0%. To avoid proposing the over inflated Step One base figure that will result in an unachievable goal to be met each federal fiscal year of the triennial period, staff has determined it is reasonable to exclude NAICS code 336611 from the Step One base figure due to the lack of certified DBE firms, capacity of DBEs to perform as prime contractors, and historical nonparticipation of DBEs in ship repair contracts.

The federal share of the Gangways and Piers – Sausalito Construction contract is budgeted at \$17,680,000 and has been included in multiple past triennial DBE goal-setting cycles. During this time, the District's Engineering staff and DBE Manager conducted research on DBE firms certified under NAICS code 237990, *Other Heavy and Civil Engineering* to evaluate their availability to perform as prime contractors and subcontractors for pile driving, as well as under NAICS code

238120, *Structural Steel and Precast Concrete Contractors* for furnishing and installing a new hydraulic lift system. Research concerning the capacity and availability of DBEs completed in prior cycles remain relevant under current market conditions. On May 3, 2025, the DBE Office sent “Read Receipt” inquiry e-mails to DBE firms to verify their firm could perform the scopes of work for this project as a prime or subcontractor and/or meet bonding requirements. Staff received several read receipts, undeliverable messages, and one response that the contract is beyond the firm’s bonding capacity. Therefore, to reflect realistic DBE participation projections, staff has made adjustments to eliminate NAICS codes 237990 and 238120 from consideration as a viable DBE participation opportunities for this specific contract, resulting in an adjustment of the individual contract base figure from 27.7% to 0.9%.

Following the necessary adjustments to all of the aforementioned contracts, the Step One base figure of 47.7% has been refined to a proposed DBE goal of 1.1%, which more accurately reflects the availability of DBEs in the District’s contracting marketplace for maritime-related projects and the Gangways and Piers Sausalito construction contract.

Race/Gender-Neutral Measures to Achieve District Goals

The Regulations require that the maximum feasible portion of the annual overall DBE goals be achieved using race-neutral means. Race neutral efforts are programs and other initiatives that assist small businesses in general and are not limited to minority- or women-owned firms. While the District has historically had success in meeting its DBE participation goals on FTA-assisted contracts through race-neutral measures, it has also faced challenges, particularly due to the significant proportion of FTA funding allocated to maritime projects. These projects often present limited to no opportunities for DBE participation. Below is a snapshot of the District’s past overall DBE goals and actual achievements from 2000 to the present:

Fiscal Year	Overall DBE Goal	Achievement	% of Goal Achieved
2000-2001	7%	8%	114%
2001-2002	8%	10%	125%
2002-2003	3%	4%	133%
2003-2004	4%	6%	150%
2004-2005	5%	8%	160%
2005-2006	7%	7%	100%
2006-2007	1%	1%	100%
2007-2008	4%	.5%	12%
2008-2009	4.5%	.3%	7%
2009-2010	3.4%	8.4%	247%
2010-2011*	3.1%	1.9%	61%
2011-2012	3.1%	5.9%	190%
2012-2013	3.1%	4.9%	158%
2013-2014	5.9%	11.4%	193%
2014-2015*	5.9%	.4%	7%
2015-2016*	5.9%	1.1%	19%
2016-2017	3.3%	5.4%	167%

2017-2018	3.3%	5.3%	161%
2018-2019*	3.3%	0.4%	12%
2019-2020*	3.2%	0.6%	19%
2020-2021*	3.2%	1%	28%
2021-2022*	3.2%	0.8%	25%
2022-2023*	1.4%	0.4%	28%
2023-2024	1.4%	2.8%	200%

* Shortfall Analysis and Corrective Action plan completed.

The District continues to expand its race and gender-neutral efforts to connect small businesses with contracting and procurement opportunities. As part of this effort, a guide for doing business with the District is published on the District's website to inform DBEs and all businesses about how to engage with the District. The guide includes details on procurement methods, vendor registration, and key staff contact information.

The District's procurement portal allows vendors to register, create firm profiles, identify their certification status as a DBE or SBE, and express interest in participating as subcontractors on selected solicitations. District staff actively use this portal to identify registered DBE firms with relevant NAICS codes aligned with posted solicitations.

Additionally, the District leverages its SBE Program by setting contract-specific SBE goals on FTA-assisted contracts to promote both DBE and SBE participation. This program has been successful in securing DBE/SBE involvement on construction and professional services contracts across the District, Bridge, and Bus divisions.

Another race and gender-neutral method to encourage DBE/SBE participation is extensive outreach. The District is an active participant in the Business Outreach Committee (BOC), a consortium of 30 Bay Area transit and transportation agencies dedicated to assisting DBEs and small businesses grow their presence with public agencies and the prime contracting community. Through the BOC, the District is able to publicize its contracting opportunities to a wide array of construction and engineering firms, as well as product suppliers and manufacturers. The BOC also helps promote vendor registration, coordinate DBE/SBE meet and greet sessions with prime contractors/consultants, offer DBE/SBE certification workshops, and provide technical assistance trainings. The BOC serves as a conduit for building lasting relationships between small businesses and public agencies, expanding access to procurement opportunities, and fostering a more inclusive and competitive contracting environment throughout the Bay Area.

In addition to outreach events, the BOC publishes a quarterly newsletter that highlights upcoming contracting opportunities from participating agencies, provides key contact information, announces Bay Area public meetings and events, and shares other relevant updates for the DBE/SBE community. The District hosts the BOC webpage on its official website at <https://www.goldengate.org/district/doing-business/business-outreach-committee/> which serves as a central resource for small businesses. The page includes contact information, access to current and archived newsletters, details about upcoming and past events, and links to procurement portals for multiple public agencies all in one convenient location.

To attract Architectural and Engineering firms, the District remains an active public agency member of Caltrans' Mentor Protégé program that meets quarterly. District staff presents on how to do business with the District, serves on panel discussions, and shares upcoming contracting opportunities and contact information with members.

Consultation with Stakeholder Groups and Public Comment

In accordance with 49 C.F.R. Section 26.45(g)(1)(i), the District is required to consult with minority, women's and general contractor groups, community organizations, and other officials or organizations which could be expected to have information concerning the availability of DBEs and non-DBEs, the effects of discrimination on opportunities for DBEs, and efforts made to establish a level playing field for the participation of DBEs. Meetings are expected to be an interactive exchange with Community-Based Organizations (CBOs) and with as many stakeholders as possible.

As a collaborative effort with the BOC, the District hosted a virtual consultation meeting with CBOs on May 7, 2025 at 10:00 a.m. – 11:00 a.m., followed by a stakeholder meeting that began that afternoon at 12:00 p.m. – 1:30 p.m. For the consultation session, the BOC provided a presentation that included content of the DBE goal-setting process, proposed triennial DBE goals of participating agencies, areas of challenges for DBE and non-DBE availability, and suggestions on how CBOs can assist agencies in increasing DBE participation on contracting opportunities.

Following the consultation session, the BOC provided a presentation for the stakeholder meeting that included similar content as the consultation meeting, a goal setting exercise, opportunity for the public to comment on agencies proposed goals, and healthy discussion among the agencies and contracting community. The presentations, attendee lists, and recordings for both meetings can be found on the BOC webpage at <https://www.goldengate.org/district/doing-business/business-outreach-committee/>.

The BOC also held an in-person public participation meeting on May 13, 2025, at the Bay Area Metro Center, 375 Beale Street, Suite 800, San Francisco, CA 94105 as another opportunity to receive public comment on agencies proposed goals, discuss challenges of DBE participation, and effective efforts to increase DBE participation with our agencies. Attendees were provided a link to submit comments through June 4, 2025, to consider necessary adjustments to proposed goals.

None of the comments received from the public from these meetings warrant adjustments to the District's proposed 1.1% DBE goal.

In addition to BOC public participation meetings, the District also plans to participate in a consultation outreach event organized by SamTrans and Caltrain on June 17, 2025, from 10:00 a.m. – 1:00 p.m., in San Carlos, CA. The District will continue to use best efforts to announce its proposed overall DBE goal at various scheduled outreach events hosted by other agencies to consider any new information that could modify the proposed goal.

To comply with 49 C.F.R. Section 26.45(g)(1)(ii), the District will advertise its proposed overall DBE goal by posting a Public Notice, as provided as **Attachment B**, on its official website. The District will publish its proposed goal in the Small Business Exchange publication as an additional source to inform the public of its proposed 1.1% overall triennial DBE goal.

Fiscal Impact

There is no fiscal impact associated with this report. However, the District's proposed overall triennial DBE goal for FFY 2025/2026 – 2027/2028 for FTA-assisted contracts must be submitted to FTA by August 1, 2025, to qualify for continued federal funding.

Attachments: A. FFY 2025/2026 through 2027/2028 Overall Triennial DBE Goal for FTA-Assisted Contracts

B. Public Notice

Attachment A

FFY 2025/2026 through 2027/2028 Overall Triennial DBE Goal for FTA-Assisted Contracts

The availability figures determined for FTA-assisted contracts were calculated into projected DBE participation dollars by taking the FTA dollars budgeted for each contract and multiplying by the availability figure for each contract. The total of the projected DBE participation dollars was then divided by the total of the budgeted FTA dollars for all contracts, resulting in a **1.1%** overall triennial DBE goal.

Division	A. DESCRIPTION OF CONTRACT	B. FTA DOLLARS	C. DBE AVAILABILITY PER CONTRACT	FTA \$ Projected for DBEs
	Anticipated for award in FFY 2025/26 -2027/28			
Ferry	Dry Docking and Capital Improvements for M.S. Marin (2025)	\$480,000	0.0%	\$0
Ferry	Dry Docking and Capital Improvements for M.V. Napa (2025)	\$800,000	0.0%	\$0
Ferry	Dry Docking and Capital Improvements for M.V. Golden Gate (2025)	\$800,000	0.0%	\$0
Ferry	Dry Docking and Capital Improvements for M.V. Mendocino (2026)	\$800,000	0.0%	\$0
Ferry	Dry Docking and Capital Improvements for M.S. San Francisco (2026)	\$1,040,000	0.0%	\$0
Ferry	Dry Docking and Capital Improvements for M.V. Del Norte (2026)	\$480,000	0.0%	\$0
Ferry	Dry Docking and Capital Improvements for M.S. Sonoma (2027)	\$480,000	0.0%	\$0
Ferry	Dry Docking and Capital Improvements for M.V. Napa (2027)	\$520,000	0.0%	\$0
Ferry	Dry Docking and Capital Improvements for M.V. Golden Gate (2027)	\$520,000	0.0%	\$0
Ferry	Dry Docking and Capital Improvements for M.V. Mendocino (2028)	\$520,000	0.0%	\$0
Ferry	Dry Docking and Capital Improvements for M.V. Marin (2028)	\$800,000	0.0%	\$0
Ferry	Larkspur Ferry Terminal Drainage Culvert Rehabilitation (Professional Service)	\$360,000	7.8%	\$28,080
Ferry	Larkspur Ferry Terminal Drainage Culvert Rehabilitation (Construction)	\$560,000	12.2%	\$68,320
Ferry	Larkspur Mooring Camels Restoration	\$1,040,000	0.1%	\$1,040
Ferry	Larkspur Ferry Terminal Berth and Channel Maintenance Dredging Design and Permit Support Services	\$640,000	6.4%	\$40,960
Ferry	Gangways & Piers Sausalito Construction	\$17,680,000	0.9%	\$159,120
	Total FTA Funds:	\$27,520,000		\$297,520
	Step Two Adjustment:	1.1%		

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Attachment B

PUBLIC NOTICE

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT PROPOSED DISADVANTAGED BUSINESS ENTERPRISE TRIENNIAL GOAL FOR FEDERAL FISCAL YEARS 2025/2026 THROUGH 2027/2028

The Board of Directors of the Golden Gate Bridge, Highway and Transportation District announces a proposed 1.1% overall triennial goal for the participation of Disadvantaged Business Enterprises applicable to contracting opportunities that are budgeted to receive federal financial assistance from the U.S. Department of Transportation, as administered by the Federal Transit Administration, for the period beginning October 1, 2025 and ending September 30, 2028.

Information on the development of the proposed goal and its rationale is available on the District's website at <https://www.goldengate.org/district/doing-business/dbe-sbe/>.

The District will accept comments on this proposed goal for thirty (30) days from the date of this Notice. Comments will be received electronically accessible at <https://forms.cloud.microsoft/r/uD4S0SQmBM>. Information on the District's website is available in over 100 languages. If you need additional translation services, contact 415-455-2000.

/s/Amorette Ko-Wong, Secretary of the District. Dated: May 24, 2025

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